



**Caltrans Statewide Small Business Council  
March 16, 2007 Meeting Minutes**

**Caltrans, Office of Civil Rights  
1823 14<sup>th</sup> Street  
Sacramento, CA  
Telephone: (916) 324-0449**

**Statewide Council Members Present:**

**Borroel**, Diana Sac. HCC  
**Chaudhary**, Arvin CELSOC  
**Guerrero**, Paul CA SBE  
**Hou**, Johnathan ABA  
**Lee**, Jackson J. AIA  
**LaCome**, Diana NCA  
**Lau**, Eddy AA&E  
**Llewellyn**, Rebecca WCOE  
**Patten**, Ezekiel BBA  
**Yang**, William Asian-American A&E – So Cal

**Guests:**

Davis, Sarah - GCAP Services  
Padilla, Pat - DBE Consultant, SR 125, Design Build Project  
Giordano, Theresa - Executive Director, AEA  
Watts, Sabrina - AGC of California

**Caltrans Staff Present:**

**Iwasaki**, Randy - Chief Deputy Director  
**Fonseca**, Olivia - Deputy Director, Civil Rights  
**Carrera**, Angel - Civil Rights  
**Carroll**, Patrice - Local Assistance  
**Delgado**, Marilyn - Civil Rights  
**Effinger**, Robert - Construction Chief  
**Failing**, Doug - Director, District 7  
**Galia**, Cris - DPAC  
**Harrison**, Marcella - Civil Rights  
**Mason**, Anne - Civil Rights  
**McAlister**, Karen - Civil Rights  
**Padilla**, Robert - Civil Rights  
**Peterson**, Jerold - Division Project Management  
**Robertson**, Deborah - District 7  
**Smelser**, Jan - DPAC  
**Stout**, Debra - District 11

**Guest Speaker:**

Militzer, David - Department of Education

## **Welcome/Introductions/Opening Remarks:**

Chair Fonseca welcomed all attendees and asked that each introduce themselves. She further announced Director Kempton is unable to attend today's SBC meeting due to commitments in District 6, Fresno. Chair Fonseca introduced Chief Deputy Director Randy Iwasaki, who announced that \$4.5 billion infrastructure bond funds were adopted by the California Transportation Commission (CTC). The Highway 99 Program represents \$1 billion for District 6. Chief Deputy Director Iwasaki advised the members to review the list of Corridor Mobility Improvement Account (CMIA) projects that the CTC has approved and are pending.

Chief Deputy Iwasaki spoke briefly about the Disparity Study Interim Report and the survey of 18,675 firms, of which 3,398, or 32.3%, represent minority-and women-owned firms. Of the 3,398 M/WBE-owned firms, 230, or 6.8%, surveyed were DBE-certified as of December 2006. As a result, he feels there is a critical need for the Department to outreach to more contractors doing the work, and get more labor involvement in the contracting process.

Chief Deputy Iwasaki added that the \$40 million Surety Guarantee Bond legislation is identified in AB1695 (Bass). See AB1695 in packet for the specific legislation. Chair Fonseca mentioned BBC Research Consultants, as a function of the final Disparity Study will review qualitative data provided in the form of anecdotal testimony gathered at the public hearings held March 22, 2007 through April 4, 2007.

Council member Lau mentioned one of the Professional Services Committee action item is that there is no substitution procedures in place for DBEs on service contracts. He also mentioned he was concerned that no small businesses were awarded contracts on the recent American Bridge change order. Chief Deputy Director Iwasaki said he knew three small businesses were awarded subcontracts on the change order task. Council member Llewellyn mentioned an action item for the Construction Committee is that it is difficult for small business to participate in Minor B contracts when the Minor B bids are all received in Headquarters. The Construction Committee is requesting that Minor B bid opening be held at the major Districts. Council member Patten mentioned the Department of General Services (DGS) is pursuing a statewide fuel contract and the way the scope is written it will eliminate small business participation. Chief Deputy Director Iwasaki asked Council member Patten to contact Chair Fonseca with additional information after the Council meeting to see if we can clarify the issue with DGS.

Chair Fonseca stated that the SBC Executive Committee met with Director Kempton. He approved reinstatement of a Legislative Committee. The purpose of the Legislative Committee is not to necessarily support or oppose legislation, but rather inform members about legislative bills that will be of interest to the membership. Also, to provide information that each SBC member can take back to their respective membership. Chair Fonseca asked for a motion to create the Legislative Committee.

**Motion:** Council member Patten. To create the Legislative Committee.

**Second:** Council member LaCome.

**Approved by Consensus.**

Chair Fonseca then entertained nominations for Legislative Committee Chair. Council member Llewellyn nominated Council member Guerrero as Chair for the Legislative Committee and moved that nominations be closed.

**Motion:** Council member Llewellyn. To appointment Council member Paul Guerrero as the Legislative Committee Chair.

**Second:** Council member Yang.

**Approved:** By Consensus.

Council member Borroel volunteered to participate in the Legislative Committee  
Action Item: Legislative Committee to review Design Build Legislation.

Chair Fonseca identified contents of the SBC meeting packets as follows:

- California Edge: Keep California Competitive, Creating Opportunity
- The State of Black California, A Report of the California Legislative Black Caucus, January 31, 2007
- Caltrans Disparity Study Interim Report Executive Summary
- Caltrans Disparity Study Public Hearing announcement work plan
- Legislative bills, SB 70, SB 159, AB1491, and AB1695
- CMIA Adopted Program of Projects
- DGS, Contracts Register website for Subscription Outreach Services/Contractor Advertisements
- Action Items for Professional Services Committee and Construction Committee

Chair Fonseca stated the SBC meetings scheduled for San Diego and Stockton are confirmed. Chair Fonseca emphasized the need to hold the balance of SBC meetings in Sacramento, so that legislative staffs from the Senate and Assembly, who have indicated an interest in the Council activities, can attend.

Chair Fonseca commented on the Executive Committee meeting. Director Kempton would like to have an SBC in District 6, Fresno, to support the Highway 99-corridor improvement projects. Chair Fonseca will contact Malcolm Dougherty, District 6 Director to set up a District 6 Small Business Council and for the Statewide Small Business Council to meet in his District in May. A meeting would be scheduled for the third Friday in May in Fresno. Chair Fonseca announced that there are no meetings scheduled in District 7 Los Angeles or District 4 Oakland this year. A new schedule with the locations of the meetings will be updated on the SBC web site.

Director Kempton encourages committee chairs to continue meeting with him as an Executive Committee. At the Executive Committee the members discussed the Architect and Engineering pre-post audit procedures, Resident Engineer training, insurance, and micro dispute resolution advisors. The issues are addressed in the respective Committee action item listings.

#### **ITEM #1: Approval of February 16, 2007, Meeting Minutes**

**Motion:** Council member Llewellyn

**Second:** Council member Yang

**Approved by consensus.**

#### **ITEM #2: Statewide Committee Reports**

Commodities Committee: No new action item reported.

Construction Committee: No new action item reported.

Legislative Committee: Yet to meet.

Professional Services: No new action item reported.

### **ITEM #3: District, SR 125 and Disparity Study Updates**

**District 7:** Director Doug Failing announced a joint District Procurement Fair, May 15, 2007 for District 7 and District 12.

**District 11:** Debra Stout reported a Procurement Fair on March 6, 2007 for District 11, which had 225 attendees during which \$160,000 was committed to Certified Small Businesses at the event and an additional \$300,000 is pending for a potential total of \$466,000 awards to small businesses. The District is also planning to initiate the CalMentor Architect and Engineering Mentor Protégé program.

**District 4:** On March 23, 2007, the District and local government will host a Cooperative Infrastructure Bond Small Business Event at the Elihu M. Harris Building in Oakland. On Monday, March 19, 2007, District 4 will launch a Cal Mentor A&E program meeting. They are asking large firms to mentor smaller firms. Council member Lau volunteered to be a representative from Small Business Council for small businesses that want to be mentors and or protégés.

**SR125:** Pat Padilla, representing the SR125 South Design Build Projects (Gap/Connector and Toll Road) developer, South Bay Expressway, reviewed the status of DBE participation in contrast to the respective DBE overall Project Goals on Gap Connector project. As of January 31, 2007, she reported the DBE Goal 12% with DBE commitment \$36,125,024.00 and Toll Road DBE Goal 15% with DBE commitment of \$14,046,261.00.

**Disparity Study Update:** Robert Padilla, Disparity Study Project Manager, reported that the Interim Report Executive Summary, Interim Report and Public Hearing announcements are now on the Civil Rights web site and asked members to forward them on to their respective memberships. The Public Hearing announcement were e-mailed to more than 60,000 firms and over 50 major and minor metropolitan newspapers statewide and mailed to more than 107 federally recognized Native American Tribes and 45 unrecognized Native American Tribes. In addition, over 5000 notices were mailed. Council member Borroel asked when the final report is to be published. Mr. Padilla stated that the report should be delivered to the Department by June 30, 2007. The Department will then make a recommendation to Federal Highways on the report findings. Chair Fonseca added the report is sent directly to FHWA in Washington, D.C., for a final acceptance. Pat Padilla suggested the study consider an analysis of the impact of prompt payment on DBEs. She also suggested that the Department consider hosting trade focus group public hearings. Chair Fonseca accepted the suggestion to conduct trade focus group public hearings.

### **ITEM #4: Career and Technical Education – Department of Education**

David Militzer, Career and Technical Education and SB70 Lead Consultant for the California Department of Education (CDE) presented a study in education to work programs. Mr. Militzer spoke of SB70, Fund for Improving Career Technical Education and how funds are being used (see handouts).

### **ITEM #5: Public Comment/Good of the Order**

Chair Fonseca reported the Department submitted a Business Opportunities and Workforce Development (BOWD) proposal to FHWA for \$2.0 million over two years. The funding will allow the Department to expand supportive service contracts at 5 to 6 additional locations in the State. Council member Llewellyn suggested the Department consider using a portion of these funds to develop a formal marketing campaign targeted toward traditional and non-traditional careers in construction.

Sabrina Watts from AGC announced Construction & Awareness Day Friday, April 20, 2007.

**Next meeting:** in Sacramento Friday, April 20, 2007, beginning at 8:30 A.M. Note that this is a change in the start time.

**Approved by:**

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**OLIVIA FONSECA**  
**Deputy Director, Office of Civil Rights**  
**California Department of Transportation**